

Debtor(s).

Location: 1415 State Street, Santa Barbara, CA - Courtroom 201

Overbid procedure (if any): Initial overbid \$15,000, payable to Sandra K. McBeth, Ch. 7 Trustee, via cashier's check; subsequent overbids in increments of \$1,000.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

U.S. Bankruptcy Court
1415 State Street
Courtroom 201
Santa Barbara, CA 93101
Dec. 6, 2016 at 10:00 a.m.

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Sandra K. McBeth, Ch. 7 Trustee
2236 South Broadway, Suite J
Santa Maria, CA 93454
Phone: 805-922-7914
Fax: 805-922-7915

Date: Nov. 9, 2016

SALE AGREEMENT

THIS SALE AGREEMENT (this "Agreement") dated as of November __, 2016, is made and entered into by and between (i) Sandra K. McBeth, not individually, but as Chapter 7 Trustee (the "Trustee") for the bankruptcy estate of Adam Taylor (the "Estate"), and (ii) Adam Taylor, individually and in his capacity as debtor in the bankruptcy case defined below (the "Debtor"). The Trustee, the Debtor and the GGC Trust are referred to herein, collectively, as the "Parties" and each, individually, as a "Party."

RECITALS

A. On or about April 7, 2014, the Debtor filed a Petition for Dissolution of Marriage and on or about April 10, 2014, Cara Taylor ("Cara") filed a Counter-Petition for Dissolution of Marriage. The petitions for dissolution of marriage remain pending before the Circuit Court of the Nineteenth Judicial Circuit, Lake County, Illinois (the "Divorce Court") as case number 14-D-653 (the "Divorce Proceeding").

B. On February 2, 2016 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 7 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Central District of California (the "Court"), thereby commencing Case Number 9:16-bk-10191-PC (the "Bankruptcy Case").

C. The Trustee is the duly appointed chapter 7 trustee for the Estate in the Bankruptcy Case.

D. On February 2, 2016, the Debtor filed his schedules of assets and liabilities (collectively and as amended, the "Schedules") and his Statement of Financial Affairs ("SOFA").

E. Among other items, the Debtor identified on schedule A/B(25) of the Schedules beneficial interests (the "Beneficial Interests") in and to the GGC Trust for Adam Taylor U/A/D 12/1/08 (the "GGC Trust"), the Taylor Annual Gift Trust for Adam Taylor U/A/D 12/14/82 (the "1982 Gift Trust"), the Taylor 1992 Annual Gift Trust for Adam Taylor U/A/D 12/17/92 (the "1992 Gift Trust") and various other spendthrift trusts (collectively, the "Spendthrift Trusts").

F. The Trustee examined the Debtor on four (4) separate occasions as part of a lengthy continued meeting of creditors pursuant to 11 U.S.C. § 341.

G. The Debtor contends that neither the Beneficial Interests nor the corpus of the Spendthrift Trusts are property of the Estate and are excluded from the Estate pursuant to Illinois law and 11 U.S.C. § 541(c)(2).

H. The Trustee has agreed via a separate settlement agreement of even date herewith to settle and release, among other claims and causes of action, any claims or causes of action the Trustee could pursue seeking a determination under 11 U.S.C. § 541 that the Beneficial Interests and/or the corpus of the Spendthrift Trusts constitute property of the Estate or that the Estate has any interest therein.

I. The bar date for creditors to file proofs of claim in the Bankruptcy Case is October 24, 2016.

J. On May 11, 2016, American Enterprise Bank filed a proof of claim (the "AEB Claim") against the Estate in the amount of \$788,747.87, which claim is allegedly secured by a citation lien on all personal property of the Debtor.

K. The Trustee desires to assign, transfer, convey, and deliver to the Debtor, free and clear of all interests, liens, claims and encumbrances, certain assets identified on Schedule A/B of the Schedules, including the beneficial interests in the GGC Trust, as further detailed in paragraph 3(b) below (collectively, the "Purchased Assets"), with any and all valid liens attaching to the Purchase Price (as defined below) with the same validity, force and effect, if any, of the interests in the Purchased Assets as of the Petition Date.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals Incorporated. The recitals and prefatory phrases and paragraphs set forth above are hereby incorporated in full and made a part of this Agreement.

2. Purchase Price. The Debtor shall cause a payment in the amount of Ten Thousand Dollars (\$10,000) (the "Purchase Price"), by wire transfer of immediately available funds, pursuant to the Trustee's written instructions, as herein after provided, in exchange for receipt by the Debtor of the Purchased Assets free and clear of any and all interests, liens, claims and encumbrances.

3. Timing of Payment and Transfers.

a. Cash Payment to the Estate. The Debtor shall pay the Purchase Price to the Trustee within 3 business days of the Effective Date (as defined in paragraph 4(a) below).

b. Transfers of Personal Property to the Debtor. Within 3 business days of the Effective Date, the Trustee shall execute and deliver a bill of sale to assign, transfer, convey and deliver to the Debtor, any and all right, title and interest of the Estate, if any, free and clear of any and all interests, liens, claims and encumbrances, in and to the following Purchased Assets:

- i. 2009 Acura MDX identified on Schedule A/B(3) of the Schedules.
- ii. The household goods and furniture identified on Schedule A/B(6) of the Schedules.
- iii. The electronics identified on Schedule A/B(7) of the Schedules.
- iv. The collectibles of value identified on Schedule A/B(8) of the Schedules.
- v. The equipment for sports and hobbies identified on Schedule A/B(9) of the Schedules.
- vi. The clothes identified on Schedule A/B(11) of the Schedules.
- vii. The jewelry identified on Schedule A/B(12) of the Schedules.
- viii. The non-publicly traded stock and interests in incorporated and

- unincorporated businesses, including interests in LLCs identified on Schedule A/B(19) of the Schedules.
- ix. The Putnam Investments IRA identified on Schedule A/B(21) of the Schedules.
 - x. The security deposit for 1717 Ridge Apartments identified on Schedule A/B(22) of the Schedules.
 - xi. The beneficial interests in the Spendthrift Trusts identified on Schedule A/B(25) of the Schedules, including the beneficial interests in the GGC Trust, the 1982 Gift Trust and the 1992 Gift Trust.
 - xii. The broker's licenses identified on Schedule A/B(27) of the Schedules.
 - xiii. The receivable from MT Homes identified on Schedule A/B(30) of the Schedules.
 - xiv. The interests in the insurance policies identified on Schedule A/B(31) of the Schedules, except to the extent of the cash surrender value in the amount of \$20,573.33 for the Guardian whole life policy which was previously turned over to the Trustee and which shall remain property of the Estate.
 - xv. All office equipment, furnishings, and supplies identified on Schedule A/B(39) of the Schedules.
 - xvi. The business-related property identified on Schedule A/B(44) of the Schedules.
 - xvii. The refund identified on Schedule A/B(53) of the Schedules.

Except to the extent the Purchased Assets will be transferred free and clear of all interests, liens, claims and encumbrances, the Purchased Assets are being transferred without any representations or warranties of any kind by the Trustee.

4. Conditions to Effectiveness. This Agreement shall be immediately effective as of the earliest time after each of the following has occurred (the "Effective Date"):

- a. Execution of this Agreement by each Party; and
- b. The date on which an order (the "Approval Order") entered by the Bankruptcy Court approving this Agreement becomes final and no longer appealable under Rule 8002 of the Federal Rules of Bankruptcy Procedure or other applicable rules of procedure on appeal, provided that the Approval Order includes a finding in sum and substance as follows:

"Pursuant to section 363(f) of the Bankruptcy Code, (a) the transfer of the Purchased Assets pursuant to the Settlement Agreement constitutes a legal, valid, and effective transfer of the Purchased Assets, and (b) the Purchased Assets shall be transferred to the Debtor free and clear of any and all interests, liens, claims and encumbrances arising prior to the date of the transfer of the Purchased Assets to the Debtor, known or unknown, including, without limitation: (i) all "liens" as defined in section 101(37) of the

Bankruptcy Code, and whether consensual, statutory, possessory, judicial or otherwise (“Liens”); (ii) all “claims” as defined in section 101(5) of the Bankruptcy Code (“Claims”); (iii) all encumbrances of any kind in favor of any known creditors of the Debtor (“Encumbrances”); and (iv) those interests that purport to give any party a right or option to effect any forfeiture, modification, foreclosure or termination of the Debtor’s interests in the Purchased Assets, or any similar rights (collectively, with Liens, Claims and Encumbrances, the “Interests”).”

5. Stipulation for Stay Relief. Effective upon entry of the Approval Order, the Trustee stipulates to the automatic stay under 11 U.S.C. § 362 being modified by the Bankruptcy Court to allow the Divorce Court to (i) determine the disposition of any marital assets and (ii) enter a final judgment of dissolution of marriage thereby resolving the Divorce Proceeding in its entirety. The Trustee and the Debtor shall promptly take all such action as is necessary to have the automatic stay lifted for these purposes.

6. Exculpation of Trustee. This Agreement is executed by Sandra K. McBeth, not individually, but solely as Chapter 7 Trustee for the Estate of Adam Taylor and in the exercise of power and authority conferred upon and vested in her as Trustee. By executing this Agreement, the undersigned parties agree on their behalf and on behalf of all others that benefit and are bound by this Agreement that no personal liability or responsibility is assumed by, shall attach to, or shall at any time be asserted or enforced against Sandra K. McBeth personally or individually, and/or against her attorneys, with all such personal liability, if any, being expressly waived and released by said parties.

7. Further Assurances. Each Party hereto covenants and agrees to execute such further instruments and take such further action as may be reasonably required by any other Party to fully effectuate the terms and provisions of this Agreement and the transactions contemplated herein.

8. Miscellaneous.

- a. Authority. Each Party represents that it has the requisite power and authority to execute and deliver this Agreement and to perform this Agreement. The person executing this Agreement on such Party’s behalf is fully authorized to do so.
- b. Entire Agreement. This Agreement constitutes the entire agreement between the Parties relating to the subject matter of this Agreement. No agreements, conditions, or understandings, either oral or written, exist between the Parties relating to the subject matter of this Agreement other than those set forth herein. This Agreement may not be amended, altered, modified, or waived, in whole or in part, except in a writing executed by all Parties.

- c. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their heirs, devisees, legatees, executors, affiliates, administrators, trustees, successors, and assigns.
- d. Attorney Representation. Each Party states that he/she/it has been represented by an attorney in connection with the negotiation, preparation, and review of this Agreement, including the advisability of making this Agreement.
- e. Amendments, Supplements, etc. This Agreement may be amended or supplemented only by a writing signed by the Parties and specifically referring to this Agreement.
- f. Signatures. This Agreement may be signed in counterparts via facsimile, email, or otherwise, and copies of the same bearing the signatures of the Parties shall be as effective as the original.
- g. Governing Law. This Agreement and any claim or dispute arising hereunder shall be governed by and construed in accordance with the laws of the State of Illinois without giving effect to the principles of conflicts of law thereunder.
- h. Third Party Beneficiaries. This Agreement is not intended to confer upon any other person or entity other than Trustee and the Debtor any rights or remedies hereunder.
- i. Consent to Jurisdiction. The Parties consent to the jurisdiction of the Bankruptcy Court for all purposes related to this Agreement.

[Remainder of Page Intentionally Blank; Signatures Follow]

IN WITNESS WHEREOF, the Parties hereto, each by persons duly authorized, have
caused the Agreement to be executed on the dates indicated below.

**Sandra K. McBeth, not individually, but
as Chapter 7 trustee for the bankruptcy
estate of Adam Taylor**

By: Sandra K. McBeth
Sandra K. McBeth, Trustee

Date: Nov. 9, 2016

Adam Taylor

Adam Taylor

Date: 11/9/2016

In re: Adam Daniel Taylor
United States Bankruptcy Court, Case No. 9:16-bk-10191-PC

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
8 E. Figueroa Street, Suite 300, Santa Barbara, CA 93101

A true and correct copy of the foregoing document entitled (*specify*): Notice of Sale of Estate Property

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) Nov. 10, 2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

William C Beall will@beallandburkhardt.com, carissa@beallandburkhardt.com
•Larry Butler secured@becket-lee.com
•Ryan A. Ellis re@h2law.com, vt@h2law.com
•Brian D Fittipaldi brian.fittipaldi@usdoj.gov
•Karen L Grant kgrant@silcom.com
•Megan E Lees efcacb@aldridgepite.com, MEL@ecf.inforuptcy.com;mlees@aldridgepite.com
•Sandra McBeth (TR) jwalker@mcbethlegal.com, CA65@ecfcbis.com
•Joseph M Sholder sholder@g-tlaw.com
•Peter Susi psusi@hbsb.com, susan@hbsb.com;krnimmons@hbsb.com
•Felicit A Torres torres@g-tlaw.com
•United States Trustee (ND) ustpregion16.nd.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL:

On (date) Nov. 10, 2016, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

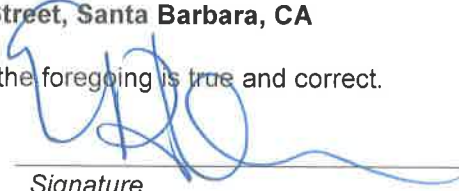
3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) Nov. 10, 2016, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Hand Deliver: Hon. Peter Carroll, U.S. Bankruptcy Court, 1415 State Street, Santa Barbara, CA

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Nov. 10, 2016
Date

Evelyn R. Downs
Printed Name


Signature